



星雅集团
STRACO

MEDIA RELEASE

Straco reports strong earnings in 3Q2008

Financial Highlights (S\$'mil)	9 months to 30 September		
	2008	2007	% change
Sales	25.68	18.54	38.5
Profit/(Loss) Before Tax	10.32	7.38	39.8
Net Profits Attributable to Shareholders	7.55	5.79	30.4
Earnings Per Share (Scts)	0.87	0.67	29.8
Net Asset Value Per Share (Scts)	11.11	10.07	10.3

Highlights of 3Q

- 3Q revenue jumped 38% on increased visitors numbers
- 3Q attributable net profits surged 66% over last year same period, and 9 months attributable net profit surpassed full year of FY2007
- 9 months earnings per share improved 29.8% over corresponding period

SINGAPORE, 12 November 2008:- Mainboard-listed Straco Corporation ("Straco" or "the Group"), a developer and operator of tourism-related attractions, reported a net profit of \$5.5 million for the third quarter ended 30 September 2008. Group revenue was S\$11.9 million, an increase of 38% over the same period in FY2007, as visitor numbers increased 59% over 3Q2007 with the addition of Underwater World Xiamen to the Group.

For the quarter under review, walk-in visitors grew 44%, tour groups registered strong growth of 217%, while the smaller corporate and student groups segments registered decline of 4% and 9% respectively over the corresponding period in FY2007.

Cumulatively, Group revenue for the 9 months ended 30 September 2008 registered growth of 39% year on year. Group profits surged 30% to \$7.6 million,

partly due to the huge exchange gain of \$1.36 million recorded for the current period, partially offset by the one-off items such as donations to the Red Cross Society of China and the non-recurring interest provided on the outstanding shareholders' loans.

Commenting on the results, Straco's Executive Chairman, Mr Wu Hsioh Kwang said "We are overall satisfied with the 3Q results. Revenue grew 38% and net profits surged 66%, partly due to the stronger RMB currency against SGD. For the full 9 months period, our earnings per share increased almost 30% to 0.87 cents."

Mr Wu added: "Though the global economy is facing a slowdown amidst the financial crisis in US and Europe, we remain cautiously positive on the outlook for the Group as the business environments where our businesses are located remain resilient and domestic tourism remain robust."

As the US financial crisis unfolds and amidst signs of slowing economic activity global wide, it was reported that the Chinese government will look into further rate cuts, easing of bank lending restrictions and boosting of domestic consumption to sustain the nation's fast and stable economic growth, and to shield from the impact of weaker exports.

The National Bureau of Statistics reported that China's economic growth slowed to 9% in the third quarter, amidst the global financial crisis, slowdown in exports, and weakness in the domestic property sector.

The RMB currency has appreciated by more than 5% against the Singapore dollar since the previous quarter. With the Monetary Authority of Singapore's stand on easing of monetary policy, RMB currency is expected to remain strong against SGD. This augurs well for the Group.

As the Group has no debt obligation, with healthy operating cashflow generated and significant cash holdings, it will be in a good position to tap on any opportunities that may arise.

Other than the above, we are not aware of any impending factors or events that may affect the Group in the next 12 months.

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About Straco Corporation

Straco Corporation Limited is a leading developer and operator of tourism-related assets in China. Straco's key asset is the Shanghai Ocean Aquarium, one of the largest indoor, closed systems aquariums in the world with a total built up area of 20,000 m² and a designed capacity of 21,000 people per day. The world-class aquarium showcases over 10,000 fishes and marine livestock of over 350 species from all over the world. It is situated across the Huang Pu River in the New

Pudong Area, next to Shanghai's landmark Oriental Pearl Tower. Straco also owns and operates Lixing cable car service at Mount Lishan in Lishan in Lintong District, Shaanxi province. In 2006, Straco started a joint venture, Straco Creation Pte Ltd ("SCPL"), with Mr Carl Clerico, who is the third generation of the Clerico family which has managed the Lido and Moulin Rouge in Paris for more than 60 years. SCPL's first production "Paris Plumes!" debuted in December 2007, in the major Chinese cities of Shenzhen, Guangzhou, Shanghai and Beijing. In October 2007, Straco acquired Underwater World Xiamen ("UWX") on Gulangyu Island, a key tourist attraction of Xiamen City. The aquarium, with over 4 million litres of water capacity, features marine animal performances and displays a wide variety of fresh water and marine livestock.

Straco Corporation has been constantly sourcing for tourism projects to tap into the expected tourism boom in Asia. The Group will leverage on its experience and track record in the China market to form strategic investment alliances to develop and operate tourism resources in China and the region.